



IKVM MONTHLY



ISSUE: 56 DECEMBER 2019

www.ikv.org.tr / contact: ikv@ikv.org.tr

WHAT'S NEXT FOR BREXIT? POTENTIAL IMPLICATIONS FOR TURKEY-UK RELATIONS

It is expected that the bilateral relations between Turkey and the UK will prosper in the post-Brexit era by building upon a new trade agreement and a strategic partnership.

In the UK's recent general election, Boris Johnson's Conservative Party won a tremendous majority. This puts him in a position to comfortably pass his Brexit deal through Parliament after several years of stalemate. Unless something very unexpected happens, the UK will officially leave the EU at the end of January 2020.

What's next for Brexit?

On 17 October 2019 the UK and the EU came to an agreement on the conditions for the UK's departure from the EU (Brexit) and a transition period. Before the election, it seemed impossible for Johnson to get Parliament to agree on this deal. But with 365 seats in the House of Commons, the Conservatives no longer have to rely on the support of minor parties. UK Prime Minister Boris Johnson's general election victory on 12 December makes it likely that the agreement will be approved by the UK Parliament soon. On 20 December, the first vote to this end was held in the House of Commons, where the Withdrawal Agreement passed with a comfortable majority. However, there are still more votes to come ahead. The parliamentary approval process in the lower and upper houses of the UK Parliament (the Commons and the Lords) is expected to be concluded in January 2020. If the UK Parliament approves the agreement, the EP can vote on it in January.

If the UK Parliament and the EP vote in favour of the Brexit agreement, the UK will leave the EU on 31 January 2020. This will be followed by a transition period which will last until 31 December



2020. During this period, all EU rules and regulations will continue to apply to the UK. Virtually nothing will change for businesses or for the public. This will give everyone more time to prepare themselves for the new agreements that the EU and the UK will conclude concerning their future relationship after 31 December 2020. If both the UK and the EU agree, this transition period may be extended once by two years, meaning it could remain in place until 31 December 2022. Prime Minister Johnson has said, however, that he would not seek an extension.

The UK will use the time to negotiate a free trade deal as well as other aspects of its future relationship with the EU, including law enforcement, security and access to fishing waters. If negotiators fail to agree on a trade deal by the deadline and no extension is agreed, this would leave the UK trading on World Trade Organisation (WTO) terms with the EU, with the likelihood of tariffs on imports and exports. Although there is still a possibility that no trade deal will be in place before 31 December 2020, Prime Minister Boris Johnson's election victory has made this much less likely.

Potential Implications for Turkey-UK Relations

Approaching the issue from the perspective of Turkey, the withdrawal of the UK from the EU may have several effects on Turkish-British relations. One point which immediately comes to mind is that Turkey will lose a precious supporter of the EU's enlargement and its membership prospect in the EU. Hence, after Brexit the EU will transform into a Union of continental Europeans only and the outlook towards Turkey may become more shortsighted and overcritical.

A second important effect of Brexit will be in the area of trade relations. By leaving the EU, the UK will also leave the Turkey-EU Customs Union which has abolished all customs duties, quantitative restrictions and all other measures having equivalent effect in trade of industrial goods between the parties. All imports from and exports to the UK will be subject to customs duties once again.

Turkey and the UK need to negotiate a deep and comprehensive free trade agreement that will enter into force as soon as the transition period ends. Any time gap between the UK's departure from the EU and thereby the Turkey-EU Customs Union and the signing of a bilateral agreement between Turkey and the UK will result in considerable losses in trade due to the reimposition of customs duties and other restrictions. The two countries will leave behind a preferential trade regime and will become third countries for each other within the WTO framework.

Such an FTA can also raise the potential of trade and investment relations between the two countries by reaching a trade volume of 25-30 billion dollars, stimulating joint production in Turkey to be exported to third markets, as well as joint ventures entailing technology transfer and know-how.

On 9 November 2017, a working group made up of British and Turkish officials started preparatory work to determine the scope and framework of future trade relations. It is expected that the FTA that will replace the Customs Union between Turkey and the UK will include agriculture and industrial products as well as services, investments, public procurement and e-commerce.



IKV HELD ITS 57TH GENERAL ASSEMBLY



The 57th Ordinary General Assembly of IKV was held on 13 December 2019 in Istanbul with the participation of the chairmen of the trustees of the foundation, representatives of the supporting organisations and delegates.

The General Assembly commenced with opening speeches by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) President M. Rifat Hisarcıklioğlu, Chairman of Turkish Exporters Assembly (TIM) İsmail Güllü, Istanbul Chamber of Commerce (ICOC) President Chairman Şekib Avdagiç, Istanbul Chamber of Industry (ICI) Vice Chairman İrfan Özhamaratlı and IKV Chairman Ayhan Zeytinoğlu.

Representatives of IKV's trustee institutions stressed that the EU accession process has gained prominence and pointed out to the critical role IKV has assumed as "Turkey's EU Expert". While recalling the important role the EU plays in Turkey's foreign trade and investments, they voiced the business community's expectations for the revival of the EU accession process.

In his opening speech, recalling that IKV was celebrating its 54th anniversary, IKV Chairman Zeytinoğlu indicated that the Foundation which monitors, analyses and formulates views on Turkey's relations with Europe and the EU, would continue to function as "Turkey's EU Expert". Zeytinoğlu underlined the role that CSOs play in facilitating Turkey-EU ties even when political relations are at an impasse and stated that IKV had major responsibilities in this regard.

Chairman Zeytinoğlu continued his speech as follows: "Unfortunately, recently there hasn't been any progress in Turkey's EU accession negotiations and negative developments in Turkey-EU relations weakened trust and will of cooperation between the parties. In addition, there

has been no progress in other processes such as the modernisation of the Customs Union and visa liberalisation which we hoped would help revive the relations. While we await normalisation and a new momentum in relations with the EU, we have faced a number of fresh sanctions over hydrocarbon exploration in the Eastern Mediterranean. Association Council meetings and high-level dialogue meetings were suspended, while the funds allocated to Turkey under the 2020 budget were reduced.

Unfortunately, visa liberalisation, which according to the Turkey-EU refugee deal, was to be finalised by June 2016 has still not been realised. At this point, we see that the conditions for getting Schengen visas have become stricter, let alone the removal of the visa requirement. We think that the only way out is to revitalise the accession negotiations and move forward towards the goal of full membership in order to solve these problems altogether."

IKV Chairman Zeytinoğlu concluded his remarks with the following words: "Thanks to the contributions of our trustees and supporting organisations including TOBB, as 'Turkey's EU Expert', we aim to continue to work on Turkey-EU relations and global developments which are very important for our country's development, democratisation and integration into the global system and to deliver greater benefits than expected of us."

IKV's Board of Directors for the 2019-2021 period consists of Ayhan Zeytinoğlu, Prof. Halûk Kabaalioğlu, Zeynep Bodur Okyay, Atila Menevşe, İsmail Güllü, Simone Kaslowski, Tuncay Şahin, Ömer Gülsoy, Mehmet Kaya, İşinsu Kestelli, Bülent Kasap, Yavuz Altun, Sedat Zincirkıran, Ali Sami Aydın, Levent Taş, Süleyman Uyar and Akansel Koç. Zeynel Abidin Erdem and Musfata İçöz were elected to serve in the Audit Committee.



TOBB PRESIDENT HİSARCIKLIOĞLU ADDRESSED THE IKV GENERAL ASSEMBLY

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) President M. Rifat Hisarcıklioğlu addressed IKV's 57th Ordinary General Assembly which was held on 13 December 2019. In his address to the IKV General Assembly, TOBB President Hisarcıklioğlu said that a difficult and new era has begun for Turkey-EU relations, accession negotiations have stopped, and that the Customs Union was no longer talked about.

Speaking at IKV's 57th General Assembly, TOBB President Hisarcıklioğlu stated that IKV was the business world's window opening to the EU, also adding, "The history of IKV in fact goes parallel with the history of Turkey-EU relations. IKV is the concrete support of the business community to Turkey's relations with the EU. I hereby commemorate the veterans of our business world, who demonstrated their vision of establishing IKV, with heartfelt gratitude. They have made a permanent investment in Turkey's future. They left a very important legacy to the business world, to future generations."

TOBB President Hisarcıklioğlu put forth that IKV has taken on the task of being a school, a library and a teacher of the EU for the business world; informing all segments of society about the EU; and providing consultation to the government and the public administration on the matter without expecting any financial compensation.

Stating that they would continue to contribute to the work of IKV as TOBB and the Chambers and Commodity Exchanges, TOBB President Hisarcıklioğlu said, "A difficult new era has begun for Turkey-EU relations. Accession negotiations have stalled. It's not even on the agenda anymore. There's no talk of the Customs Union. The only positive agenda between us is Syrian refugees. The EU has pledged 6 billion euros in support of Syrian refugees in Turkey. So

far, it has transferred only 2.7 billion euros. A 4.3 billion euro contract was signed under the fund. The 1.6 billion euro portion is expected to be paid in 2020."

Noting that financial aid has also been cut down, TOBB President Hisarcıklioğlu said, "Unfortunately, Turkey, as a country in the accession process, faces EU sanctions. Since July, high-level meetings between Turkey and the EU have been halted. However, hope must not be lost. EU institutions have been appointed new leadership. I think that the phone call between the President of the European Commission and our President is important in this sense. As a result, the President of the European Commission, on her first day in office, met with our President. Soon afterwards, the European Commission sent two senior members to Ankara. That's a good start. Now we need to find more positive agenda issues."

Hisarcıklioğlu stated that, in this difficult period, IKV had a very important task and responsibility; in July 2020, Germany would take over the rotating presidency of the EU and they could turn this to Turkey's advantage.

Stating that last month the Turkish-German Chamber of Commerce and Industry held its 14th General Assembly in Berlin to which the former Vice-President of the European Commission Günter Verheugen was invited, Hisarcıklioğlu said, "Mr. Verheugen made two important highlights there. He emphasised that Turkey belongs in Europe without doubt in the economic, commercial and cultural sphere and is one of the indispensable pillars of the Western bloc. He also pointed out that the EU without Turkey has no future. So let's strive for a positive focus on relations during the German Presidency. Thus, let us regain momentum in deepening the disrupted integration between Turkey and the EU."

İKv AGENDA

TRADE MINISTER PEKCAN HELD A MEETING AT TOBB AND İKV'S BRUSSELS OFFICE



Turkey's Trade Minister Ruhsar Pekcan, who was on a visit to Brussels, came together with Turkish civil society representatives at TOBB

and İKV's Brussels Representation on 20 December 2019. Stressing the importance of working together, Minister Pekcan expressed her joy

at seeing different CSOs together. Minister Pekcan said that even though they might not all agree, it was important to meet on a common basis and cooperate while defending the interests of Turkey and the business community. Minister Pekcan highlighted that CSOs had an important role to play in the modernisation of the Customs Union and that it was important for them to take an active role in this process in the countries that they operate.

The meeting was also attended by Turkey's Ambassador in Brussels Zeki Levent Gümrükçü, Turkey's Permanent Delegate to the EU Ambassador Mehmet Kemal Bozay, TOBB and İKV's Brussels Representative Haluk Nuray and representatives of DEİK, TUSIAD, MUSIAD and TURKONFED.

İKv CHAIRMAN ZEYTİNOĞLU VISITED ICOC PRESIDENT AVDAĞIÇ

On 5 December 2019, İKV Chairman Ayhan Zeytinoğlu visited the Istanbul Chamber of Commerce (ICOC) and met with ICOC President Şekib Avdağıç. During the meeting, İKV's relations with ICOC, which is among İKV's founding and trustee organisations, common working areas and potential joint activities were discussed.



İSTANBUL MEDENİYET UNIVERSITY STUDENTS VISITED İKV

A group of students from Istanbul Medeniyet University Social Sciences Club visited İKV on 10 December 2019 and obtained information about the research areas and activities of İKV. During the visit, İKV Secretary General Assoc. Prof. Çiğdem Nas and Strategy and Business Development Director M. Gökhan Kilit informed the students about the latest developments in Turkey-EU relations including the state of play in the accession process, the refugee deal, visa liberalisation process and the modernisation of the Customs Union.



TIMELINE DECEMBER 2019

The von der Leyen Commission and European Council President Michel took in office.	1	
COP25 kicked off in Madrid.	2	
NATO leaders met in London to mark the Alliance's 70 th anniversary.	3	
	4	
	5	İKv Chairman Zeytinoğlu visited Istanbul Chamber of Commerce President Avdağıç.
European Commission Vice-President Schinas and Commissioner for Home Affairs Johansson visited Turkey.	6	
	7	"Turkish Public Opinion Survey on Support for EU Membership and Perception on Europe 2019" was published by İKV in association with TEPAV with the support of TOBB.
	8	
	9	İKv Chairman Zeytinoğlu issued a press release concerning ETIAS.
ECtHR delivered its judgement on the Kavala case.	10	Istanbul Medeniyet University Social Sciences Club visited İKV.
Croatian Foreign Minister Grlić Radman visited Turkey.	11	
UK general elections resulted in Conservative Party winning a landslide victory.	12	
EU leaders met in Brussels to discuss climate change, the EU's long-term budget and external relations.	13	Ayhan Zeytinoğlu was re-elected as İKV Chairman at İKV's 57 th Ordinary General Assembly held in Istanbul.
	14	
	15	
	16	
President Erdoğan attended the 1 st Global Refugee Forum in Geneva.	17	
	18	
	19	
Trade Minister Pekcan visited Brussels to hold talks with senior EU officials.	20	Trade Minister Pekcan met Turkish CSO representatives at TOBB and İKV's Brussels Representation.
	21	
	22	
	23	
	24	
	25	
	26	
Turkey's first domestically produced automobile was presented to the public.	27	İKv Chairman Zeytinoğlu attended the launch ceremony for Turkey's first domestically developed automobile.
	28	
	29	
	30	İKv Chairman Zeytinoğlu unveiled the results of İKV's latest public opinion survey on support for EU membership.
	31	

“PUBLIC SUPPORT FOR EU MEMBERSHIP CONTINUES, BUT BELIEF THAT IT WILL MATERIALISE HAS DECLINED”

The findings of the public opinion survey, which was commissioned by IKV in association with the Economic Policy Research Foundation of Turkey (TEPAV) with the support of TOBB, were unveiled in December 2019. The survey was conducted by MetroPOLL research company with a sample consisting of 4,506 people in 35 provinces. According to the results of the survey, 60 percent of the population supports Turkey's membership to the EU while only 23 percent believes that Turkey's EU membership will come true.

Support for EU membership was highest in southeast Turkey with 66 percent, and lowest in northeast Turkey with 59 percent. Among the respondents, 64 percent of women and 57 percent of men support EU membership. The age group that supports EU membership the most is the 18-24 age group, with a support rate of 66 percent. By education level, with 67 percent and 66 percent respectively, the highest support comes from high school graduates and college graduates.

The proportion of those who believe Turkey will become an EU member is 23 percent, compared to 30 percent in 2015, 36 percent in 2016 and 31 percent in 2017. The highest level of belief in Turkey's EU membership was recorded in the southeast with 34 percent, while the lowest level of belief was recorded in the western provinces of the country with 19 percent.

IKV Chairman Ayhan Zeytinoğlu made the following comments on the results of the public opinion survey: “As IKV, we conducted a public opinion survey in association with TEPAV with the support of TOBB. The survey, conducted in 35 provinces with 4,506 people, shows that the vast majority of people continue to support EU membership. 60 percent of respondents consider Turkey's EU membership to be a good thing. This rate is higher among women than men, among young people than elders, among high school and college graduates than elementary and middle school graduates, and among those living in the southeast than in cities in the northeast. This shows that our people believe in the benefit of EU membership and that despite all the problems and obstacles, they can look at the issue in a rational way. But only 23 percent of respondents believe membership will happen soon. This shows that the obstacles and problems in the EU process have been significantly disappointing, and that the fact



that 56 years of relations have still not resulted in membership has undermined the belief in that goal. The support of the Turkish people for EU membership is very important. It is necessary for the EU to respond to this awareness of the Turkish people and to take steps to revive Turkey's accession process. We expect the incoming European Commission and the new president of the European Council and other officials to take initiative on this issue. We call on our government to speed up EU-related reforms, continue the steps taken in areas such as judicial strategy and visa liberalisation.”

Expectations of economic development, freedom and free movement lie behind the support of EU membership

75 percent of those supporting EU membership cite prosperity and economic development while 57 percent cite progress in democracy and human rights, and 45 percent cite the possibility of movement, settlement and education in Europe. 59 percent, who do not support EU membership, cite the belief that it would harm their identity and culture, while 24 percent think the EU has no future and 20 percent believe it will undermine Turkey's foreign policy. While expectations related to the economic advantages and the freedom environment have taken centre stage in support for EU membership, the main reason for the lack of support is the concern that it would undermine identity and culture.

For 37 percent of the respondents, the EU means prosperity and economic development, while for 21 percent it means democracy and freedom, for 12 percent it means decline and regression, and for 12 percent it means free movement and the removal of borders.

For 49 percent of those who support Turkey's EU membership, the EU means prosperity and economic development, while for

just 2 percent it means decline and regression. For 31 percent of those who do not support Turkey's EU membership the EU stands for decline and regression, with only 16 percent expressing prosperity and economic development. This profound difference in the view of those who support and do not support EU membership can also be interpreted as an indication of social polarisation and worldview differences.

Majority of the people view prejudice as the most important obstacle to EU membership

78 percent of respondents consider the most important obstacle to Turkey's EU membership to be prejudice arising from cultural and religious differences. This is followed by Turkey's economic development with 29 percent and problems in democracy and human rights with 28 percent. One can say that there is a widespread belief that Turkey is being approached with prejudice.

The most important topic on the agenda of Turkey-EU relations is the refugee crisis

According to the survey, the most important issue on the agenda of Turkey-EU relations is the refugee crisis for 38 percent of the respondents, accession negotiations for 27 percent, visa liberalisation for 17 percent and the Customs Union for 13 percent. 64 percent of the respondents think that modernising the Turkey-EU Customs Union would be beneficial for both sides.

Majority of people think that Turkey is ready for EU membership

60 percent of the respondents think that Turkey has the administrative and institutional capacity and human resources required for EU membership while 57 percent believe that Turkey has fulfilled the obligations to become an EU member.



IKV CHAIRMAN ASSESSED THE POTENTIAL IMPLICATIONS OF ETIAS FOR GREEN PASSPORT HOLDERS

IKV Chairman Ayhan Zeytinoğlu commented on the claim that Turkish green and grey passport holders would face some restrictions while travelling to EU Member States. “While opposing any application that may restrict the rights of Turkish citizens to travel, I think it is necessary to clarify some issues that may cause public confusion” stated IKV Chairman Zeytinoğlu and continued his remarks as follows:

“First and foremost, I would like to point out that the visa-free travel rights of green and grey passport holders for their entry to some EU countries will not be affected following the entry into force of the new mechanism in 2021. As a matter of fact, with the new mechanism called the ‘European Travel Information and Authorisation System’ (ETIAS), Turkish citizens and citizens of third countries including the USA, Ukraine, Canada, New Zealand and North Macedonia will simply need to access the system via internet and fill in the application form in order to be issued an authorisation prior to their travel. Spokespeople of the European Commission emphasise that the application form was designed to be filled out within minutes.

According to data provided by the European Commission, at least 95 percent of the total registrations to ETIAS would result positively. In other words, ETIAS is an automated IT system designed to identify whether a third-country national poses a security risk. It is also possible to see ETIAS as a measure put forward by the EU against the ever-increasing global irregular migration and security threats in general. However, this is one side of the coin. I would like to regretfully express that

the other side of the coin is quite dark.”

IKV Chairman Zeytinoğlu said that the ETIAS authorisation is not a visa regime, but an information system focused on guaranteeing EU's border security. However, Zeytinoğlu indicated that applications like ETIAS served to raise walls of “Fortress Europe”. He continued as follows:

“At this stage, hints that the new Commission would take a protectionist stance on migration and border management with ETIAS and other smart border practices unfortunately do not provide a positive picture for us. Due to the economic, psychological, political and legal burden already incurred by the current Schengen visa regime, travel rights of Turkish citizens are severely undermined. The decision to increase Schengen visa fees from the current 60 euros to 80 euros is already a problem in itself, while the payment of a 7 euro fee for ETIAS authorisation is highly inconsistent with the EU's social and egalitarian founding values. Furthermore, these practices entail the risk of demoralising further the Turkish business community, civil society and academic circles whose interactions with EU stakeholders are damaged because of the visa regime, as well as Turkish citizens who wish to travel to the EU.

Therefore, it is essential to conclude successfully the technical part of the visa liberalisation dialogue as soon as possible in order to avoid negative perceptions likely to occur among citizens and to ensure the success story that might be needed more than ever, considering long history of Turkey-EU relations.”

TURKEY'S FIRST DOMESTICALLY PRODUCED AUTOMOBILE WAS UNVEILED

TOGG revealed two domestic electric car prototypes which will begin production in 2022 at the Innovation Journey Meeting in Gebze.

Turkey's first domestically manufactured automobile was presented to the public at the premises of Turkey's Automobile Joint Venture Group (TOGG) in Gebze, the north-western industrial heartland of Turkey on 27 December 2019. The launch ceremony took place with the attendance of Turkish President Recep Tayyip Erdoğan, ministers and leading figures of the Turkish business community.

The project of domestic automobile, which has been on the agenda since 2011, was accelerated in 2017 under the leadership of President Erdoğan. Accordingly, the Joint Initiative Group Cooperation Protocol for Turkey's Automobile Joint Venture Group was signed in 2017 with the partnership of Turkey's leading automobile manufacturers Anadolu Group, BMC, Kök Group, Zorlu Holding as well as telecommunication and technology services provider Turkcell under the coordination of Science, Industry and Technology Ministry together with TOBB. Later, on 31 May 2018, TOGG was established with each of the five industrial giants having a share of 19 percent and TOBB having a 5 percent share. In June



2018, Mehmet Gürcan Karakaş was appointed as the Chief Executive Officer of TOGG.

At the ceremony in Gebze, where the prototypes of the SUV and sedan models were presented, President Erdoğan pointed out that it was a historic day, realising a 60-year dream and the car represented the culmination of Turkey's progress in industrial technology. Speaking at the ceremony, Minister of Industry

and Technology Mustafa Varank shared data on Turkey's exports which have currently reached 170 billion dollars from 36 billion dollars in 2002. Minister Varank also pointed out to the R&D and entrepreneurship ecosystem created over the two decades and shared their aim to make Turkey a leading technology producer in every field. Emphasising that in 2022 the vehicles would come off the

assembly line, TOBB President and Chairman of the Board of Directors of TOGG M. Rifat Hisarcıklıoğlu stated that Turkey's Automobile would be one of the most important global brands of the country in 2020.

Native electric, connected and autonomous capable C-segment SUVs are expected to be introduced in 2022. TOGG foresees to establish a factory in the manufacturing hub of Bursa.

With 3.7 billion dollars investment, the production of five models and a total output of 175,000 vehicles a year are planned. The project is expected to contribute 50 billion dollars to the Turkish economy in the 15 years following 2022. The TOGG CEO Karakaş introduced the features of the Turkish automobile and explained that it included an autonomous driving feature for a safer, more comfortable drive. He underscored that they created a brand, intellectual and industrial property rights of which will belong to Turkey.

As highlighted in the 27 December 2019 dated TOGG press release, the new electric automobile is designed to be permanently connected to the internet and in communication with all smart devices and the entire smart city infrastructure. By 2030, TOGG aims to launch five models to the market. The consortium will not only produce for the domestic market, but also plans to export the models globally. The investment will enjoy comprehensive tax cuts, free land allocation, interest rate reductions and a government purchase guarantee of 30,000 vehicles until the end of 2035.

EUROPEAN COMMISSION VICE-PRESIDENT SCHINAS AND COMMISSIONER JOHANSSON VISITED ANKARA

The visit, which took place only a few days after the new European Commission came to office, is seen as an indication of the importance attributed to Turkey's role as a candidate country and a strategic partner.

European Commission Vice-President Margaritis Schinas and Commissioner for Home Affairs Ylva Johansson visited Turkey on 6 December 2019. The visit, during which the two Commissioners were received by Turkish President Recep Tayyip Erdoğan, took place right after the start of the new political cycle in the EU.

The Commission delegation also met with other senior Turkish officials including Vice-President Fuat Oktay, Interior Minister Süleyman Soylu, Deputy Speaker of the Turkish Grand National Assembly Levent Gök and Deputy Foreign Minister and Director for EU Affairs Ambassador Faruk Kaymakçı in the context of their visit.

Following the visit, the EU side issued a statement indicating that the talks have been constructive, and the visit was an occasion showing that the EU was committed to continue its engagement and cooperation with Turkey, as a candidate country, a key strategic partner and a neighbour. In this regard, implementation of the Turkey-EU Statement and the Facility for Refugees in Turkey were among the primary issues that were brought onto the agenda. The Turkish Ministry of Foreign Affairs also released a press release on the occasion of the visit, confirming the importance the EU attaches to close relations and cooperation with Turkey.



TURKEY SIGNED A MARITIME AGREEMENT WITH LIBYA

Ankara and Tripoli signed two Memoranda of Understanding (MoU) on military cooperation and delimitation of maritime jurisdiction areas. The agreements, which were signed on 27 November 2019, during the two-hour meeting between President Recep Tayyip Erdoğan and the Head of the Presidential Council of Libya's UN-backed Government of National Accord (GNA), Fayez Al Sarraj in Istanbul, entered into force on 8 December 2019. The agreements aim to strengthen cooperation between the two countries.

The Turkey-Libya maritime delimitation agreement has triggered strong reactions from Greece, the Greek Cypriot Administration and Egypt. Athens claims that the agreement disregards Crete and is therefore contrary to international law while Ankara argues that the agreement is in line with the court decisions that create the international jurisprudence and international law including the relevant articles of the UN Convention on the Law of the Sea. Turkey has submitted the agreement to the UN for registration. Despite Athens' attempts to get the UN Security Council condemn the agreement; UN has announced that it would remain neutral on the issue.

Siding with Greece and the Greek Cypriot Administration in the name of "Member State solidarity", EU leaders,



in the European Council meeting on 12-13 December 2019, denounced the Turkey-Libya maritime delimitation agreement. Ankara rejected the EU's stance as hypocritical and reminded that the EU had no authority to decide over the delimitation of maritime jurisdiction areas and that the EU was not an international court thus could not judge the legality of the agreement.

The Turkey-Libya maritime delimitation agreement is perceived as a game-changer by many analysts, not only because it disrupts any plans between Greece, the Greek Cypriot Administration, Egypt, and Israel over hydrocarbon drilling rights, but it also obliges regional states to negotiate with Turkey for any pipeline project to carry Eastern Mediterranean gas to European markets.



THREE NEW CONTRACTS SIGNED UNDER THE FACILITY FOR REFUGEES

On 20 December 2019, the EU signed three contracts worth 210 million euros under the Facility for Refugees in Turkey (FRIT). The contracts signed with Agence Française de Développement (AFD), Expertise France and International Centre for Migration Policy Development (ICMPD) aim to support water supply and sanitation systems in cities in south-eastern Turkey as well as to improve livelihoods and employment prospects for refugees and host communities.

"FRIT" which was established in 2015 in response to the European Council's request for significant additional funding to support Syrian refugees in Turkey, has a total budget of 6 billion euros divided into two equal tranches of 3 billion euros. According to the EU Delegation to Turkey, under the first tranche 72 projects are currently on-going, while the second tranche of 3 billion euros is being mobilised since 2018.



CROATIAN FOREIGN MINISTER GRLIĆ RADMAN VISITED TURKEY

Croatian Foreign and European Affairs Minister Gordan Grgić Radman paid an official visit to Turkey on 11 December 2019 and met with Turkish Foreign Minister and Chief Negotiator Mevlüt Çavuşoğlu. During the meeting, the two ministers underscored their satisfaction with the good political relations between Croatia and Turkey. Regional and international issues, bilateral economic relations, the potential for development of investments and cultural cooperation were also discussed during the meeting.

Croatian Foreign Minister Grgić Radman informed Foreign Minister Çavuşoğlu about the priorities and activities planned for Croatia's upcoming EU Presidency. Foreign Minister Çavuşoğlu underscored Ankara's belief that Croatia's support for Turkey's EU bid would continue during its EU Presidency. For his part, indicating that his visit ahead of Croatia's upcoming EU Presidency was no coincidence, Grgić Radman stressed Turkey's importance for the EU and said that Zagreb would continue its support for a positive dialogue between Turkey and the EU.

EUROPEAN COURT OF HUMAN RIGHTS REACHED A VERDICT ON THE KAVALA CASE



The European Court of Human Rights (ECtHR) delivered its judgement on the Osman Kavala Case on 10 December 2019. Osman Kavala is a businessman and civil society figure who has been involved in setting up several NGOs and cultural endeavours. Osman Kavala was arrested in Istanbul on 18 October 2017 on the suspicion of committing two offences under the Turkish Criminal Code which were related to the Gezi

Park events of May-September 2013 and the attempted coup of 15 July 2016.

On 10 December 2019, the Court ruled that the arrest was without reasonable suspicion, with political motives and Kavala's application to the Constitutional Court of Turkey was not examined in reasonable period of time. Therefore, ECtHR urged for the end of the detention period as well as his release.

HIGH-LEVEL EXCHANGES

NATO LEADERS MARKED THE ALLIANCE'S 70TH ANNIVERSARY



NATO leaders gathered in London, which was home to the Alliance's first headquarters, to commemorate the 70th anniversary of NATO on 3-4 December 2019. NATO leaders first attended the reception hosted by Her Majesty Queen Elizabeth II at the Buckingham Palace. On the next day, they came together to address current security issues and take decisions to ensure that the Alliance remains fit for the future.

The leaders' meeting was overshadowed by French President Emmanuel Macron's controversial comments that NATO was experiencing a brain death. In a show of unity, NATO leaders adopted the London Declaration reaffirming their bond despite fault lines over

spending and strategy. In the London Declaration, the Allies reiterated their commitment to the famous Article 5 of the Washington Treaty which considers an attack on one of the Allies as an attack on all. While noting that the European Allies and Canada have boosted their defence budget for five consecutive years marking an increase of over 130 billion dollars, the Allies pledged to further increase their defence spending in line with the 2 percent defence guideline. NATO leaders also declared space as a new operational domain.

In the London Declaration, Russia's aggressive actions were openly recognised as a threat to Euro-Atlantic security while terrorism in all its forms and manifestations

was denounced as a persistent threat. NATO leaders for the first time held a strategic discussion on the rise of China and acknowledged that the challenges and opportunities posed by this phenomenon should be handled together.

Turkish President Recep Tayyip Erdoğan, who was in London to participate in the NATO Leaders' Meeting, also held bilateral meetings with US President Trump, Spanish Prime Minister Pedro Sánchez and Greek Prime Minister Kyriakos Mitsotakis. President Erdoğan also attended the quadrilateral meeting on Syria with French President Emmanuel Macron, German Chancellor Angela Merkel and British Prime Minister Boris Johnson.

PRESIDENT ERDOĞAN ATTENDED THE 1ST GLOBAL REFUGEE FORUM

The 1st Global Refugee Forum was organised by the UN Refugee Agency (UNHCR) on 16-17 December 2019 in Geneva, Switzerland. In line with the Global Compact on Refugees adopted by the UN General Assembly on 17 December 2018, the Forum had the purpose to translate the responsibility sharing principle of all stakeholders into concrete actions. During the Forum, the fact that the number of refugees has surpassed 25 million worldwide was underlined; giving the message that migration should be at the centre of all crisis management plans.

President Recep Tayyip Erdoğan attended the two-day Forum and hailed the event as a great success. During his address at the Forum, President Erdoğan stressed that the world was facing an unprecedented migration crisis due to issues such as famine, civil wars, terrorist attacks and political uncertainties. In terms of sharing responsibilities, President Erdoğan noted that Turkey ranked first regarding humanitarian aid to national income ratio, and that it was identified as the country hosting the largest number of refugees in the world. Talking



about his hopes for the Global Compact on Refugees and the increase of commitments and actions concerning the worldwide refugee crisis, President Erdoğan criticised policies of raising walls in order to keep refugees outside national borders. "Keeping refugees within our borders cannot be viewed as the only solution to the migration problem emanating from Syria" he said, calling European countries to share the burden.

TRADE MINISTER PEKCAN VISITED BRUSSELS



On 20 December 2019, Turkey's Trade Minister Ruhsar Pekcan paid an official visit to Brussels to meet with senior EU officials. In the context of the visit, Trade Minister Pekcan held a meeting with the new European Commissioner for Trade Phil Hogan. After the meeting, Minister Pekcan underlined the common will of Turkey and the EU to increase mutual ties in the areas of trade and investment. She emphasised that both sides were ready to establish a positive dialogue in order to realise the full potential of their economic ties.

The fact that EU accounted for 66.6 percent of foreign direct investment (FDI) inflows to Turkey the 2002-2019 period was reiterated.

The modernisation of the Customs Union was the most important topic on the agenda of the meeting. Indicating that Ankara has completed all the necessary preparations for the launch of the negotiations, Trade Minister Pekcan underlined that the Commission awaited a mandate from the Council where non-constructive political approaches to the issue hampered any progress. Minister

Pekcan indicated that a modernised Customs Union would have numerous of benefits for both Turkey and the EU which could also play a role in normalising the political atmosphere.

EU's measures against steel products coming from Turkey, commercial relations after Brexit and FDI inflows to Turkey originating from the EU were among the other topics discussed in the meeting between Minister Pekcan and Trade Commissioner Hogan. Regarding the EU's steel industry measures, Minister Pekcan pointed out that although they were not meant directly for Turkey, it was the Turkish steel industry that was affected the most by the measures. Minister Pekcan stated that due to the measures, Turkey's exports in the first 10 months of 2019 have fallen by 25 percent. On the other hand, Minister Pekcan mentioned that the developments in the UK after the elections implied that the country would exit the bloc with a deal and she indicated that Turkey was working on an agreement in parallel to the future deal between the EU and UK.



COP25 WAS HELD IN MADRID

The 25th Conference of the Parties to the UN Framework Convention on Climate Change (COP25) was held in Madrid on 2-15 December. Although the summit was planned to search for new solutions to the climate crisis at a time that global warming has reached alarming levels, it became a matter of disappointment before it even began. While Brazil was set to host COP25, its newly elected President Jair Bolsonaro, who is dubbed as a "climate denier", withdrew the offer to preside over the summit on the grounds of budget constraints and political transition. Following this decision, Chile was expected to host COP25 but later had to withdraw from hosting the event due to protests against metro fare hikes. As a result, COP25 was held in Madrid under the presidency of Chile.

Despite the urgency for new climate solutions, COP25 failed to meet the expectations. While the participating countries are expected to raise their NDCs to 2 °C for the

purpose of limiting the global warming, or better yet 1.5 °C, in line with the Paris Agreement goals, none of the most emitting countries committed themselves to this challenge except the EU. European Commission President Ursula von der Leyen introduced the "European Green Deal" at the COP25 which aims at making Europe the first carbon-neutral continent by 2050. This goal is set to be enshrined in first EU-wide climate law which is expected to be adopted by March 2020. Accordingly, the EU is also planning to increase its 2030 goals to 50-55 percent reductions.

Although COP25 was extended for two more days, just as UN Secretary-General António Guterres asserted in his closing speech, the results were disappointing. COP25 was originally planned to finalise the guidelines for carbon markets however as negotiations were stuck, the Paris Agreement rulebook could not be completed.

THE YEAR IN REVIEW: TURKEY-EU RELATIONS WHILE BIDDING FAREWELL TO 2019

2019 took its place in the history of Turkey-EU relations as another difficult year in which the standstill in accession negotiations prevailed.

Çisel İLERİ

IKV Research Director

From the first issue of IKV Monthly, which was published in November 2014, as IKV we aim to provide up to date and reliable information on recent developments regarding Turkey-EU relations. Therefore, while bidding a farewell to 2019, we will review briefly what happened in Turkey-EU relations this year.

2019 started with the problems inherited from 2018 such as the EU General Affairs Council conclusions, which stated that Turkey had been moving further away from the EU and Turkey's accession negotiations had therefore effectively come to a standstill; no further chapters could be considered for opening or closing and no further work towards the modernisation of the Turkey-EU Customs Union was foreseen. Although the standstill in Turkey's accession process has continued, the parties gathered to discuss areas of common interest in the High Level Economic Dialogue meeting on 27 February 2019. During the meeting, representatives of the Turkish business community as well as EUROCHAMBRES and BusinessEurope representatives highlighted the need to launch the talks aimed at modernisation of the Turkey-EU Customs Union without further delay. Moreover, the project financing agreement for the largest EU investment project carried out in Turkey; the Halkalı-Kapıkule High-Speed Railway Line was signed.

Another important development in bilateral relations was the reconvening of the Turkey-EU Association Council, the highest decision-making body established by the Ankara Agreement, which met on 15 March 2019 in Brussels after an interval of almost four years. At the Association Council meeting, both parties exchanged views on various aspects of Turkey-EU relations such as accession negotiations, political criteria, economic criteria,



alignment with the EU *acquis*, the visa liberalisation dialogue, the Customs Union, and financial cooperation.

The regular country report annually prepared by the European Commission presenting an assessment of the implementation of reforms aimed at alignment with the EU *acquis* in Turkey was unveiled on 29 May 2019. Covering the period from 1 March 2018 to 1 March 2019, the Commission's 2019 Report on Turkey highlighted Turkey's position as a candidate country and a key partner for the EU. The report underlined that Turkey has continued to move further away from the EU, with serious backsliding in the areas of the rule of law, fundamental rights and through the weakening of effective checks and balances in the political system, brought forward by the entry into force of the constitutional amendment. Moreover, in the 2019 Turkey Report, the Commission for the first time mentioned that there was a serious backsliding in the functioning of Turkey's market economy. Not surprisingly, the effective dialogue and cooperation between Turkey and the EU in the field of migration was praised in the report. It is very difficult to argue that Turkey has made progress in the aforementioned areas regarding the Copenhagen political criteria from the publication of the Turkey report onwards.

Certainly the sanctions against Turkey due to the developments in the Eastern Mediterranean were among the highlights in bilateral relations. In its conclusions of 15 July 2019, the EU Foreign Affairs Council deplored that Turkey has continued its drilling operations in the East Mediterranean despite the EU's repeated calls to cease its so-called "illegal" activities in the region. In the light of Turkey's continued and new drilling activities, the Council decided to suspend negotiations on the Comprehensive Air Transport Agreement and agreed not to hold the Association Council and further meetings of the Turkey-EU high-level dialogues for the time being. It also endorsed the Commission's proposal to reduce pre-accession assistance to Turkey for 2020 and invited the European Investment Bank to review its lending activities in Turkey, notably with regard to sovereign-backed lending. At the Council meeting on 11 November, EU foreign ministers took another step and decided that the sanctions could target "persons or entities responsible for drilling activities", "persons or entities providing financial, technical or material support" or "persons associated with them". As a response, the Turkish Ministry of Foreign Affairs reasserted Turkey's determination to continue its drilling activities and defend its rights in the Eastern Mediterranean.

Towards the end of the year, Ankara announced the establishment of an EU Coordination Board through Presidential Circular No. 2019/22 which entered into force upon its publication in the Official Gazette No. 30921 of 17 October 2019. The Board aims at conducting the work related to the EU in a coordinated manner which is an important step to speed up the efforts to align with the EU *acquis*.

2019 was also the year in which we have discussed Turkey-EU relations in different contexts such as the NATO Summit, operations in Syria and Turkey's agreement with Libya. On these issues, Turkey was confronted by some EU Member States with France, Germany, the Netherlands and Italy imposing arms exports restrictions and bans on Turkey due to its Operation Peace Spring.

Public Support for EU Membership Stands at 60 Percent

Finally, at the end of the year, during the 57th IKV General Assembly, IKV Chairman Ayhan Zeytinoglu shared the results of the latest public opinion survey on support for EU membership in Turkey which was conducted in 35 provinces with the participation of 4,506 respondents. The research shows that 60 percent of the Turkish people support Turkey's EU bid whereas only 23 percent believe that it will be possible in the short run. According to the

research results, support for Turkey's EU membership is highest among young people (18-24 age group). The ratio of people who believe Turkey will become an EU member in the short run is 23 percent while this rate was 30 percent in 2015, 36 percent in 2016 and 31 percent in 2017. Taking into account the data from five consecutive years, one can say that the hope for EU membership in the short term has plummeted to the lowest level in 2019.

75 percent of those who support EU membership said welfare and economic development is the reason for their support whereas 57 percent support EU membership for progress in democracy and human rights, and 45 percent for mobility, free movement of people and education opportunities in Europe. On the other hand, 59 percent of those who do not support EU membership think it will harm identity and culture, while 24 percent think that the EU does not have a future, 20 percent believe that it will weaken external relations. While economic benefits and freedom environment comes to the fore in support for EU membership, the most important reason for the lack of support is the concern for identity and culture.

This shows that the obstacles and problems in the EU process have been disappointing to a great extent and the fact that 56 years of relations have still not resulted in membership has undermined the belief in the objective. The support of the Turkish people for EU membership is very important. It is obvious that in order to overcome the current stagnation in the Turkey-EU relations, both sides should take concrete steps. Turkey should return back to the reform agenda, while the new European Commission and the new President of the European Council and other officials have to take the initiative to present a more credible membership perspective for Turkey and propose positive steps for strengthening the relations. It is not so difficult to forecast that 2020 will be a year in which the challenges both Turkey and the EU face transcend the previous years, which necessitates creating a positive outlook in Turkey-EU relations.